



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	918 685 677
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	G2 OCEAN AS
Forretningsadresse:	C. Sundts gate 17 5004 BERGEN

### Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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### Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Marit Holm
Dato for fastsettelse av årsregnskapet:	15.03.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 15.09.2023



### Resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		2 128 082 000	1 483 575 000
<b>Sum inntekter</b>		<b>2 128 082 000</b>	<b>1 483 575 000</b>
<b>Kostnader</b>			
Voyage related		848 248 000	692 586 000
Time charter rental		352 709 000	181 263 000
Depreciation and amortization		6 293 000	6 207 000
Selling, general and administrative		65 251 000	51 398 000
Pool distribution to owners		851 574 000	548 676 000
<b>Sum kostnader</b>		<b>2 124 075 000</b>	<b>1 480 130 000</b>
<b>Driftsresultat</b>		<b>4 007 000</b>	<b>3 445 000</b>
Annen rentekostnad		778 000	610 000
Annen finanskostnad		1 291 000	1 103 000
<b>Sum finanskostnader</b>		<b>2 069 000</b>	<b>1 713 000</b>
<b>Netto finans</b>		<b>-2 069 000</b>	<b>-1 713 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>1 938 000</b>	<b>1 732 000</b>
Skattekostnad på ordinært resultat		359 000	-121 000
<b>Ordinært resultat etter skattekostnad</b>		<b>1 579 000</b>	<b>1 853 000</b>
<b>Årsresultat</b>		<b>1 579 000</b>	<b>1 853 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		1 579 000	1 853 000
<b>Sum overføringer og disponeringer</b>		<b>1 579 000</b>	<b>1 853 000</b>



## Balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel		1 259 000	354 000
Goodwill			231 000
<b>Sum immaterielle eiendeler</b>		<b>1 259 000</b>	<b>585 000</b>
<b>Varige driftsmidler</b>			
Maskiner og anlegg		23 777 000	23 590 000
<b>Sum varige driftsmidler</b>		<b>23 777 000</b>	<b>23 590 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap		10 158 000	10 083 000
Andre fordringer		4 000	
<b>Sum finansielle anleggsmidler</b>		<b>10 162 000</b>	<b>10 083 000</b>
<b>Sum anleggsmidler</b>		<b>35 198 000</b>	<b>34 258 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Bunker Inventory		72 994 000	61 289 000
<b>Sum varer</b>		<b>72 994 000</b>	<b>61 289 000</b>
<b>Fordringer</b>			
Trade receivables		85 590 000	81 919 000
Related parties receivables		9 826 000	10 071 000
Accrued voyage revenues		23 227 000	17 125 000
Prepaid expenses		4 152 000	1 370 000
Other current assets		2 875 000	2 503 000
Konsernfordringer		369 000	550 000
<b>Sum fordringer</b>		<b>126 039 000</b>	<b>113 538 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		3 257 000	1 912 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>3 257 000</b>	<b>1 912 000</b>



### Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Sum omløpsmidler		202 290 000	176 739 000
<b>SUM EIENDELER</b>		<b>237 488 000</b>	<b>210 997 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		14 471 000	14 471 000
Overkurs		13 652 000	13 652 000
<b>Sum innskutt egenkapital</b>		<b>28 123 000</b>	<b>28 123 000</b>
<b>Opptjent egenkapital</b>			
Other equity		-3 131 000	-244 000
Retained earnings		-9 234 000	-10 813 000
<b>Sum opptjent egenkapital</b>		<b>-12 365 000</b>	<b>-11 057 000</b>
<b>Sum egenkapital</b>		<b>15 758 000</b>	<b>17 066 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser		2 754 000	2 727 000
<b>Sum avsetninger for forpliktelser</b>		<b>2 754 000</b>	<b>2 727 000</b>
<b>Annen langsiktig gjeld</b>			
Related parties payable		3 000 000	6 000 000
Other non-current liabilities			197 000
<b>Sum annen langsiktig gjeld</b>		<b>3 000 000</b>	<b>6 197 000</b>
<b>Sum langsiktig gjeld</b>		<b>5 754 000</b>	<b>8 924 000</b>
<b>Kortsiktig gjeld</b>			
Bank overdraft		21 774 000	17 066 000
Leverandørgjeld		39 781 000	17 602 000
Betalbar skatt		422 000	0
Skyldige offentlige avgifter		640 000	826 000
Kortsiktig konserngjeld		2 387 000	2 982 000
Related parties payable		4 207 000	4 003 000



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Accrued liabilities		59 972 000	51 259 000
Deferred voyage revenue		78 541 000	85 726 000
Other current payables		8 252 000	5 543 000
<b>Sum kortsiktig gjeld</b>		<b>215 976 000</b>	<b>185 007 000</b>
<b>Sum gjeld</b>		<b>221 730 000</b>	<b>193 931 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>237 488 000</b>	<b>210 997 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 353077

#### Enheten

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Organisasjonsform: Aksjeselskap  
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5004 BERGEN

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Brønnøysundregistrene, 17.04.2023



Organisasjonsnr: 918 685 677  
G2 OCEAN AS

## RESULTATREGNSKAP

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Organisasjonsnr: 918 685 677  
G2 OCEAN AS

## BALANSE

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## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital



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Organisasjonsnr: 918 685 677  
G2 OCEAN AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

## Note

Antall årsverk i regnskapsåret  
64.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

## Konsernregnskap

Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Ja

Morselskapet sitt navn  
G2 Ocean Holding AS

Forretningskontor for morselskapet  
Bergen

## Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

## Note

### Fordringer

Fordringer som forfaller senere enn ett år etter regnskapsårets slutt



Mer om fordringer

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Financial Statements  
G2 Ocean AS

G2 OCEAN

2022



**Definitions**

Throughout this report "G2 Ocean", "Company", "Joint Venture", "we", "us" and "our" refer to G2 Ocean AS.

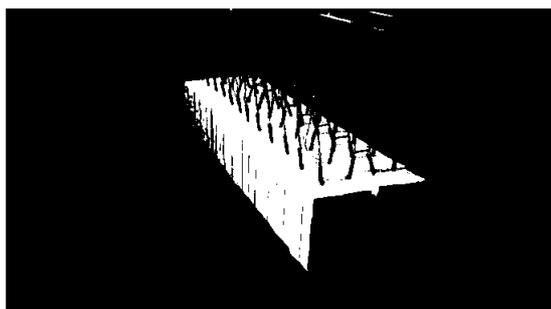
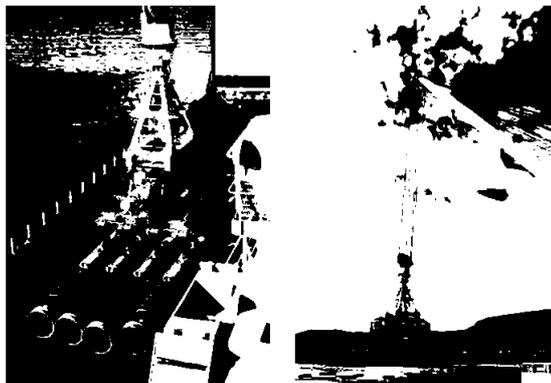
The Company's functional and reporting currency is the US Dollar. Unless otherwise indicated all references to "USD", "US\$" or "\$" refer to United States Dollars, the currency of the United States of America.

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles ("NGAAP").



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13	Statement of cash flows
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## OUR ORGANIZATION

G2 Ocean AS ("Company" or "G2 Ocean") is the world's largest shipping company within the open hatch segment, operating a core fleet of 88 open hatch vessels and 1 conventional bulk vessels as of December 31, 2022. In addition, on average 38 vessels has been chartered from third parties on short-term contracts during 2022.

The Company is a joint venture between two of the world's leading open hatch shipowning companies, Gearbulk Holding AG ("Gearbulk") and Grieg Shipholding AS, a subsidiary of Grieg Maritime Group ("Grieg"). The Company is jointly controlled by Gearbulk and Grieg, with Gearbulk owning 65% and Grieg owning 35%.

G2 Ocean does not own vessels on its own, but operate vessels owned or chartered by Gearbulk and Grieg Maritime Group, as well as vessels chartered from third parties on short-term time charters. The Company combines the global resources and expertise of Grieg and Gearbulk to operate the joint fleet of open hatch and semi open hatch vessels.

G2 Ocean AS is a company registered in Norway. The headquarters of G2 Ocean is located in Bergen, Norway, with regional hubs located in Atlanta and Singapore. G2 Ocean currently employs 324 employees and has 15 offices around the world.

## BUSINESS SEGMENT

G2 Ocean is a commercial and customer-oriented shipping joint venture operating worldwide within the Open Hatch and Conventional Dry Bulk segments.

### Open Hatch segment

Our Core fleet		Gearbulk	Grieg	Total
	Handysize	1	-	1
	Handymax	12	14	26
	Supramax	15	17	32
	Ultramax	17	-	17
	Panamax	12	-	12
	<b>Total</b>	<b>57</b>	<b>31</b>	<b>88</b>

G2 Ocean's open hatch activities offer its customers a broad parcel cargo carrier concept, transporting a variety of different cargoes which involve complex handling and loading operations. This requires a diversified fleet, flexible sailing patterns and a highly competent organization.

The Company's conventional dry bulk operation have consisted of on average 5 bulk vessels in 2022.

## ANNUAL ACCOUNTS

### Results, earnings and operations

The dry bulk sector experienced a strong shipping market for the majority of the year with freight rates significant above the recent years levels.

G2 Ocean's gross revenue of USD 2 128.1 million (2021: USD 1 483.6 million) consists mainly of freight income whereof USD 2 085.7 million (2021: USD 1 398.3 million) in the Open Hatch segment and USD 42.4 million (2021: USD 85.2 million) in the Conventional Dry Bulk segment. The voyage related expenses amounted to USD 848.2 million (2021: USD 692.6 million) and the time charter rental expenses amounted to USD 352.7 million (2021: USD 181.3 million).

The income from operations before pool distribution amounted to USD 855.6 million (2021: USD 552.1 million). This resulted in a pool distribution to the Pool participants of USD 851.6 million (2021: USD 548.7 million).

The net earnings per vessel per day in 2022 in the Open Hatch segment increased by 77.3% compared to 2021, while the net earnings per vessel is 40.6% higher in 2022 compared to 2021 in the Conventional Bulk segment, driven by the firm shipping market with increasing freight rates.

G2 Ocean's Income before income tax was positive by USD 1.9 million (2021: positive USD 1.7 million). The Net income result at year-end was positive by USD 1.6 million (2021: positive USD 1.9 million).

### Balance sheet, financial situation and cash flow

The Company's book equity was USD 15.8 million (2021: USD 17.1 million) at year-end, whereof USD 28.1 million (2021: USD 28.1 million) was injected capital. By end 2022 the equity ratio was 6.6 % (2021: 8.1%). By the end of 2022, the Company had total assets of USD 237.5 million (2021: USD 211.0 million), with current assets accounting for USD 202.3 million (2021: USD 176.7 million).

Based on net positive cash flows from operations of USD 7.3 million (2021: positive USD 9.7 million), a net negative cash flow from investments of USD 6.4 million (2021: negative USD 6.7 million) and a net positive cash flow of USD 0.7 million (2021: negative USD 3.6 million) from financing activities, the Company's net change in liquid funds in 2022 was positive by USD 1.3 million (2021: negative USD 0.9 million). Liquidity in the form of bank deposits, cash and undrawn credit facility at year-end totaled USD 31.5 million (2021: USD 9.8 million).



## WORKING ENVIRONMENT AND OCCUPATIONAL HEALTH

The Board considers the conditions related to the working environment and health in G2 Ocean to be good. The management works closely together with the employee representatives in monitoring and improving the overall working environment.

At year-end, G2 Ocean had 324 employees whereof 65 were employed in Norway and 259 abroad.

### Health, environment and safety

The safety of our people, and the integrity of our operations, are important and it has been a priority in G2 Ocean to improve and focus on safety in 2022.

As a result, a number of initiatives and actions have been implemented throughout the year. One of these initiatives is the establishment of a set of shared safety behaviors across the organization: the 5 Safety I's which aim to guide employees in their daily work and give the company a common language and safety culture to discuss safety issue with the overall objective to strengthen the safety performance in G2 Ocean.

At G2 Ocean, the wellbeing of the employees is being prioritized and various healthcare benefits are offered alongside encouragement and facilitation of participation in physical activities for its personnel to keep healthy. The records show no personnel injuries for G2 Ocean employees in 2022.

The 2022 general sick leave for the global organization was 1.1% and 3.3% for the Norwegian based employees.

### Equal opportunities

At G2 Ocean, we are committed to providing equal opportunities for all employees. We have a zero-tolerance policy for workplace harassments and do not accept any form of discrimination.

G2 Ocean is working systematically to promote equality and prevent discrimination on the basis of, for example, gender, pregnancy, leave in connection with childbirth, ethnicity, religion, disability or sexual orientation.

The gender equality statement as required by the Equality and Anti-Discrimination Act in Norway is disclosed in the 2022 Annual Report which is available on [www.g2ocean.com](http://www.g2ocean.com).

At year-end 2022, the total workforce in the G2 Ocean Group reflected a distribution between the genders of 38% women and 62% men and for the Norwegian part of the Group, the distribution between the genders was 34% women and 66% men.

### Total Workforce



### Executive Management



For executive management, the gender distribution was 33% women and 67% men.



At year-end 2022, the Company's Board of Directors consisted of one woman and six men, including two deputy board members.

## EXTERNAL ENVIRONMENT

As a global shipping company, G2 Ocean, as a global shipping, with its business activities have both direct and indirect environmental impacts. Our main environmental impacts are linked to the transportation of cargo, purchased products and services, energy use, business travel and waste generation.

G2 Ocean is committed to be a sustainable, pioneering and responsible company and has implemented the following UN Sustainable Development Goals as part of its long-term strategy: (8) Decent work and economic growth, (9) Industry, innovation and infrastructure, (12) Responsible consumption and production, (13) Climate action, (14) Life below water, and (16) Peace, justice and strong institutions.

### Emission monitoring

As a measure to improve our environmental performance, we have set short-, and long-term environmental objectives and are monitoring our Scope 1, 2 and 3 emissions.

Scope 1 emissions cover the emissions from the vessels in our shipping operations including Carbon Dioxide,- Nitrogen Oxides,- and Sulphur Oxides emissions.

Scope 2 emissions covers indirect emissions from the consumption of purchased energy for heating, cooling, lightning and gas by G2 Ocean.

Scope 3 emissions include all other indirect emissions that occur in our value chain such as emissions related to well-to-tank emissions, purchased goods and services, tugs, business travel and downstream leased assets.

In 2022, G2 Ocean committed to becoming a net-zero emissions company by 2050 and to bringing in zero-



emission capable vessels by 2030. In line with the strategy of the International Maritime Organization (IMO), G2 Ocean is also committed to reducing greenhouse gas emissions per transported unit by a minimum of 40% by 2030 from 2008 levels.

## ETHICS, INTEGRITY AND TRANSPARENCY

The G2 Ocean Code of Business Ethics sets out the governance principles for G2 Ocean. G2 Ocean has defined nine ethical principles which it will adhere to.

Any form of bribery or corruption is unacceptable to G2 Ocean. To cooperate with like-minded industry companies to promote compliance with anti-corruption laws, G2 Ocean has been a member of the Maritime Anti-Corruption Network ("MACN") since 2017.

G2 Ocean has a whistleblowing policy in place which allows anonymous reporting of suspicion of non-compliance either to an external supplier or internally.

## CORPORATE SOCIAL RESPONSIBILITY

G2 Ocean's vision is "Pioneering Sustainable Shipping Solutions". The long-term strategy for 2020 – 2024 focuses on providing a positive contribution to G2 Ocean's customers, suppliers, employees, owners, the society and the environment. G2 Ocean takes its Corporate Social Responsibility ("CSR") seriously and continuously works to ensure that all activities are handled responsibly. Our actions and business practices are always grounded in the G2 Ocean vision, our Behavioral Principles and the UN Sustainable Development Goals. G2 Ocean aspires to be recognized for its responsibility, honesty and high integrity in all markets and services.

G2 Ocean set high ethical and environmental requirements for both ourselves and our suppliers. All our suppliers must commit to our [Supplier Code of Conduct](#), and it is expected that applicable laws and regulations are adhered to. The Code of Conduct is based on the United Nations Global Compact Guiding Principles and specifies our fundamental ethical standards for business operations. The Code of Conduct was updated in 2022 to ensure compliance with the Norwegian Transparency Act. Further information can be found in the 2022 Annual Report available on [www.g2ocean.com](http://www.g2ocean.com).

## RISK

Managing risk is important for value creation and an integrated part of the Company's management and governing model. G2 Ocean's key risk factors relate to market operations, safety, financial management, cyber security, compliance and regulatory framework.

With the increasing reliance on technology and the internet, the risk of cyber threats is constantly evolving. Protecting our organisation from data breaches and cyberattacks has accordingly become increasingly important in the past few years due to the greater level of digitalization of work processes across the company and the growing threat of cyberattacks. In order to minimize the cyber security risk a number of measures and actions are being taken to stay prepared and counter any cyber threats.

G2 Ocean's financial and market risk is mainly composed of risks related to the development of freight rates, bunker prices and currency rates. In order to reduce these risks, G2 Ocean is undertaking hedging activities by use of financial instruments to ensure the risk is at a reasonable level and in accordance with the strategy.

The earnings in the open hatch segment are to a large extent related to cargo contracts, and as this shipping activity is of an industrial character, it implies that revenues are less volatile than in the spot market, and that changing market conditions generally have a delayed effect on the results.

G2 Ocean assumes counterparty risk in all parts of its business. Issues related to credit risk as well as sanction regulations are frequently controlled and considered part of the daily business. G2 Ocean has a sanction screening tool which regularly screens counterparties against applicable sanction lists.

During 2022, G2 Ocean implemented a Supplier Risk Management System where all new suppliers are screened for sanctions and Anti-Bribery Corruption issues. In case any issues are identified and substantiated, we will not do business with the supplier.

## CORPORATE GOVERNANCE

To ensure a sound practice when it comes to the division of tasks and roles between the administration, the Board of Directors and the General Meeting, the Norwegian Code of Practice for Corporate Governance is applied as far as practicable for a privately-owned company.

G2 Ocean has a Director & Officers insurance providing financial protection for the Board of Directors and the CEO up to a certain threshold and providing financial protection for G2 Ocean from reimbursement costs to indemnify Board of Directors and the CEO for their losses, as well as from defense costs associated with lawsuits and investigations.



## THE MARKET

In 2022, the maritime sector was again managing wide ranging disruption from global events including the onset of the Ukraine conflict, continued impacts from the pandemic, a slowing world economy and inflation.

After a Covid-19 rebound in 2021, the dry bulk shipping market that G2 Ocean operates within, remained firm for the majority of 2022.

The global seaborne trade stalled at 12 billion metric tons, reaching the same levels as 2021. For 2023, the global growth is forecasted to be 2.65% by the IMF following a series of downgrades through 2022. A glimmer of economic optimism is coming from preliminary data suggesting that the inflationary pressures were gently easing at the end of 2022. This suggests that prices will see less of a steep climb into 2023 and Central Banks could start slowing the pace of their interest rate hikes.

### Bulk

For Bulk, the rates generally eased back in 2022 amid pressure on demand and easing congestion, with average bulkcarrier earnings falling 24% year on year. The rates were generally more resilient in the segment with smaller ship sizes where rate levels remained fairly "healthy" for much of the year.

Recent demand headwinds appear likely to persist into 2023, as deteriorating global macroeconomics conditions may limit imports in key regions, especially for minor bulks, whilst uncertainty around the outlook for the Chinese property sector and Covid-19 impacts makes the 2023 outlook for key dry bulk segments less clear.

Supply growth appears to set slow in 2023, with the orderbook at a 30-year low of about 7% of the fleet capacity. High slippage levels on newbuild deliveries and an increase in demolition numbers (due to softer market conditions and as new environmental regulations come into force) are expected to mitigate the fleet growth in 2023. It is expected that this will lead to a relatively balanced market in 2023, but with economic recovery and dry bulk demand expansion to grow more in the second half of the year than the first.

### Containers

The container sector began the year at record levels (with freight and charter rates peaking at around 5-6 times compared to start 2020 levels), but experienced a sharp correction in second half of the year as trade volumes and congestion unwounded. The market conditions are generally expected to soften further into 2023, with rates expected to continue to move towards and potentially below typical historical average levels. The strong supply expansion is likely to increase the pressure.

### Pulp

World demand for paper grade market pulp is estimated to have reached 70 million tons in 2022, up 2.6% or 1.8 million tons from 2021 but still below its 2020 level. At 24.6 million tons, China's pulp demand was 1.6% lower than in 2021.

Global bleached chemical pulp shipments are expected to have grown by around 0.3 million tons (+0.4%) in 2022, following a contraction of -1.7 million tons in 2021. The weak performance over the past two years is largely the result of supply-side constraints which have led to decline in global consumer stocks of almost 2 million tons since Q4 2020 and drove prices to record highs over the summer. Global bleached chemical pulp shipments are forecast to grow by 1.9 million tons in 2023 as prices deflate, supply increases and consumer restock. However, global paper and board production is likely to remain weak due to slowing macro-economy.

### Steel

The global crude steel production fell 4.2% in 2022 to 1.9 billion tons. Except for India and Iran, the world's top 10 steel producers saw a decline in output last year. The world's number one steel producer, China, saw a 2.1% decline in its figures of 1.0 billion tons while India, the number two producer, rose 5.5% to 124.7 million tons last year.

### 2023 expectations

In summary, G2 Ocean remain optimistic for the shipping market in 2023. 2023 has started off with a slow down for the shipping market, however with the prospect of China to revive post Covid-19, G2 Ocean remain optimistic for the shipping market in 2023.

## GOING CONCERN

The Board of Directors confirms that the annual accounts have been prepared on the basis of the going concern assumption and that this assumption is valid. The consideration is based on the group's financial position and expectations of future earnings. The Board believes that the submitted annual accounts give a correct picture of the results, cash flows and economic situation. No events have taken place after the balance sheet date, which significantly would affect the accounts.

The Board of Directors are grateful for the effort and the results achieved from all employees throughout 2022.



Bergen, March 15, 2023  
The Board of Directors of  
G2 Ocean AS

Kristian Jebsen  
Chair

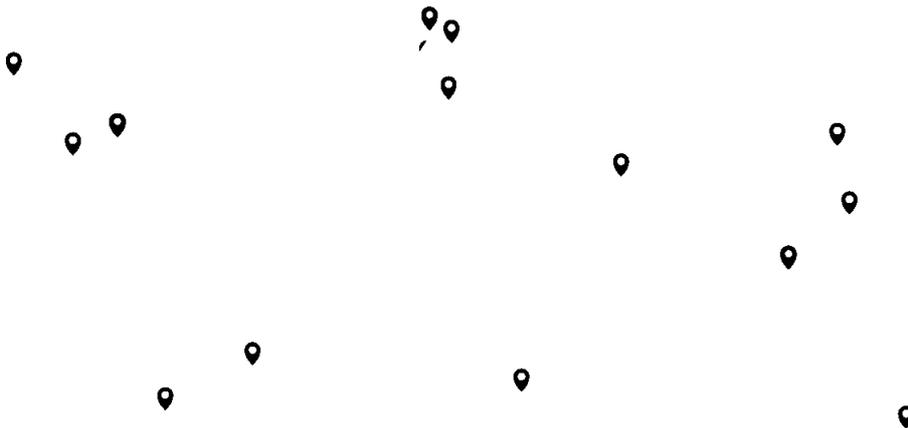
Camilla Grieg  
Vice Chair

Hans Petter Aas  
Board Member

Arthur English  
CEO

Matthew Robert Cagienard Duke  
Board Member

Hans Olav Lindal  
Board Member





## FINANCIAL STATEMENTS

### INCOME STATEMENT

For the period (USD 1 000)	Note	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Total revenues	3,4	2 128 082	1 483 575
<b>Operating expenses</b>			
Voyage related	4,5	848 248	692 586
Time charter rental	6,8	352 709	181 263
Depreciation and amortization	15,16	6 293	6 207
Selling, general & administrative	4,7,8,9	65 251	51 398
Income from operations before pool distribution		855 581	552 121
Pool distribution to Pool Participants	4,10	851 574	548 676
Income from operations		4 007	3 445
<b>Non-operating income / (expenses):</b>			
Interest income/ (expense)		(778)	(610)
Other income and expenses, net	11	(1 291)	(1 103)
Income before income taxes		1 938	1 732
Income tax expense	12	359	(121)
Net income		1 579	1 853
<b>Allocation of Net income</b>			
Transferred to / from Retained earnings		1 579	1 853



## STATEMENT OF FINANCIAL POSITION

Assets (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
<b>FIXED ASSETS</b>			
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Deferred tax assets	12	1 259	354
Goodwill	15	-	231
<b>Total intangible fixed assets</b>		<b>1 259</b>	<b>585</b>
<i>Tangible fixed assets</i>			
Property, plant and equipment	16	23 777	23 590
<b>Total tangible fixed assets</b>		<b>23 777</b>	<b>23 590</b>
<i>Financial fixed assets</i>			
Investments in subsidiaries	17	10 158	10 083
Other non-current assets		4	-
<b>Total financial fixed assets</b>		<b>10 162</b>	<b>10 083</b>
<b>Total fixed assets</b>		<b>35 198</b>	<b>34 258</b>
<i>Current assets</i>			
Inventories	20	72 994	61 289
Trade receivables	21	85 590	81 919
Related parties receivables	19	9 826	10 071
Intercompany receivables	18	369	550
Accrued voyage revenue	22	23 227	17 125
Prepaid expenses		4 152	1 370
Other current assets	13,14,23	2 875	2 503
Cash and cash equivalents	24	3 257	1 912
<b>Total current assets</b>		<b>202 290</b>	<b>176 739</b>
<b>Total assets</b>		<b>237 488</b>	<b>210 997</b>



## STATEMENT OF FINANCIAL POSITION

Equity and Liabilities (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
<b>Equity</b>			
<i>Paid-in equity</i>			
Share capital	25,26	14 471	14 471
Share premium reserve	26	13 646	13 646
<b>Total paid-in equity</b>		<b>28 123</b>	<b>28 123</b>
<i>Other equity</i>			
Other equity		(3 131)	(244)
Retained earnings		(9 234)	(10 813)
<b>Total other equity</b>		<b>(12 365)</b>	<b>(11 057)</b>
<b>Total equity</b>		<b>15 758</b>	<b>17 066</b>
<b>Liabilities</b>			
<i>Provisions</i>			
Pension obligations	27	2 754	2 727
<b>Total provisions</b>		<b>2 754</b>	<b>2 727</b>
<i>Other long-term liabilities</i>			
Related parties payable	19	3 000	6 000
Other non-current liabilities		-	197
<b>Total other long-term liabilities</b>		<b>3 000</b>	<b>6 197</b>
<i>Current liabilities</i>			
Bank overdraft	28	21 774	17 066
Trade payable		39 781	17 602
Public duties payable		640	826
Tax payable	12	422	-
Related parties payable	19	4 207	4 003
Intercompany payable	18	2 387	2 982
Accrued liabilities	29,31	59 972	51 259
Deferred voyage revenue	22	78 541	85 726
Other current payables	13,14,30	8 252	5 543
<b>Total short-term liabilities</b>		<b>215 976</b>	<b>185 007</b>
<b>Total liabilities</b>		<b>221 730</b>	<b>193 931</b>
<b>Total equity and liabilities</b>		<b>237 488</b>	<b>210 997</b>

Bergen, March 15, 2023  
The Board of Directors of  
G2 Ocean AS

Kristian Jølsen  
Chair

Camilla Grieg  
Vice Chair

Hans Petter Aas  
Board Member

Arthur English  
CEO

Matthew Robert Cagienard Duke  
Board Member

Hans Olav Lindal  
Board Member



## STATEMENT OF CHANGES TO EQUITY

For the period Jan 1 – Dec 31, 2022 (USD 1 000)	Number (Share capital)	Amount (\$) (Share capital)	Additional paid-in capital (\$)	Retained earnings (\$)	Other equity (\$)	Total Equity (\$)
Balance at Jan 1, 2022	84 360	14 471	13 652	(10 813)	(244)	17 066
Net change in fair value of cash flow hedges	-	-	-	-	(2 887)	(2 887)
Net income	-	-	-	1 579	-	1 579
Balance at Dec 31, 2022	84 360	14 471	13 652	(9 234)	(3 131)	15 758

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	Number (Share capital)	Amount (\$) (Share capital)	Additional paid-in capital (\$)	Retained earnings (\$)	Other equity (\$)	Total Equity (\$)
Balance at Jan 1, 2021	84 360	14 471	13 652	(11 710)	1 120	17 533
Net change in fair value of cash flow hedges	-	-	-	-	(2 320)	(2 320)
Net income	-	-	-	1 853	-	1 853
Other adjustment	-	-	-	(956)	956	-
Balance at Dec 31, 2021	84 360	14 471	13 652	(10 813)	(244)	17 066



## STATEMENT OF CASH FLOWS

Cash flows for as per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
<b>Cash flows from operating activities</b>			
Net income		1 579	1 853
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Depreciation and amortization	15,16	6 293	6 207
Net (gains) losses from disposals	16	154	(293)
Financial cost		970	587
<b>Changes in operating assets and liabilities</b>			
Trades receivable	21	(3 726)	(23 002)
Inventories	20	(11 705)	(20 158)
Prepaid expenses and other assets		(3 277)	4 118
Accrued voyage revenue	22	(6 102)	(3 839)
Deferred voyage revenue	22	(7 185)	30 842
Accrued liabilities	29	8 713	18 281
Trade payable		22 179	7 560
Payments to and from related parties	10,19	504	(7 069)
Intercompany payments, net	18	(414)	688
Other current payables		(632)	(2 038)
Other, net		(43)	(4 021)
Net cash provided / (used) by operating activities		7 308	9 716
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	16	(6 435)	(7 072)
Disposal of fixed assets	16	32	354
Net cash provided / (used) by investing activities		(6 403)	(6 718)
<b>Cash flows from financing activities</b>			
Proceeds from bank overdraft facility	28	4 708	(23)
Group contribution	25	(75)	-
Repayment of loans to related parties	19	(3 000)	(3 000)
Payment of finance costs		(970)	(587)
Net cash provided / (used) by financing activities		663	(3 610)
Net increase / (decrease) in cash and cash equivalents		1 568	(612)
Effect of exchange rate changes on the cash in the year		(223)	(278)
Cash and cash equivalents at the beginning of the year	24	1 912	2 802
Cash and cash equivalents at the end of the year		3 257	1 912



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 DESCRIPTION OF THE BUSINESS

These are the financial statements of G2 Ocean AS ("Company" or "G2 Ocean").

G2 Ocean is a leading dry bulk carrier of forest and other unitized products. The Company is a joint venture of two of the world's leading breakbulk and bulk shipping companies and combines the owners' global resources and expertise to operate the combined fleet of open hatch, semi open hatch and conventional bulk vessels. As of December 31, 2022, G2 Ocean operates a core fleet of 88 open hatch vessels and 1 conventional bulk vessels. In addition, on average 38 vessels has been chartered from third parties on short-term contracts during 2022. The network of worldwide offices provides a strong presence on every continent and is best placed to serve the customer's needs locally and globally.

G2 Ocean operates a fleet of open hatch gantry crane and jib crane vessels with box-shaped holds to maximize stowage and minimize cargo handling. The core fleet of 88 vessels, mainly of similar design, provides flexibility to interchange vessels for quick scheduling response. The onboard cranes lifting up to 70 ton and provide freedom to load and discharge efficiently anywhere, whether quayside facilities are equipped, or not.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of presentation

The financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles ("NGAAP"). G2 Ocean AS is fully owned (100%) by G2 Ocean Holding AS. In accordance with the Norwegian Accounting Act §3-7, the Company is not issuing consolidated financial statements.

#### 2.2 Estimates and assumptions

Preparation of financial statements according to generally accepted accounting principles requires management to use estimates and assumptions that affect the profit and loss account and the valuation of assets and liabilities, and disclosure of information about liabilities that, as of the balance sheet date, are not yet certain. Actual figures will generally differ from such estimates. Conditional losses which are likely to occur that can be quantified are expensed on a current basis. The Company uses estimates and assumptions in connection with the calculation of pension liabilities, the determination of accruals for contract losses and for losses on receivables, the calculation of risks related to contract fulfillment and the determination of fair market value for the purpose of assessing added values as well as impairment of assets.

#### 2.3 Foreign Currency

The presentation currency for the Company is US dollar. Each entity in the Company determines its own functional currency in accordance with NGAAP and items included in the financial statements of each entity are measured using that functional currency.

G2 Ocean's functional and reporting currency is the US Dollar. Assets and liabilities denominated in foreign currencies are translated to US Dollars using the rates of exchange at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated into US Dollars using the exchange rate on the date of the transaction. Exchange gains and losses on settlement or translation are included in Net income / (loss).

Assets and liabilities of foreign subsidiaries, whose functional currency is not the US Dollar, are translated using the rates of exchange at the balance sheet date. Revenues and expenses of foreign subsidiaries are translated at average exchange rates prevailing during the year. Exchange gains and losses arising from the translation of foreign subsidiaries are reported as a separate component of Other equity as a translation adjustment.

The cash flows from derivative instruments, which are accounted for as hedges of forecasted foreign currency denominated transactions, are classified in the statement of cash flows in a manner consistent with the underlying nature of the hedged transactions. Foreign currency transaction gains or losses are reported in other income and expense in the Income Statement.



## **2.4 Revenue and Voyage Related Expenses Recognition**

### **2.4.1 Freight revenue**

Freight revenues are recognized on a percentage of completed voyage method of accounting, based on the number of days completed and an estimate of freights that will be receivable for a voyage. All other revenues are recognized once the service has been performed.

G2 Ocean recognizes revenue from rendering of transportation services over time, because the customer simultaneously receives and consumes the benefits provided by the Company. G2 Ocean has decided that every voyage charter contract consist of a single performance obligation of transporting the cargo within a specific time period. Therefore, the performance obligation is met evenly as the voyage progresses and the freight revenue is recognized over time from load port to discharge port by measuring the progress towards complete satisfaction of the services. Number of days sailed from load port compared to total estimated days until discharge port is used as a measure progress. The method applied is the one that most faithfully depicts our progress towards complete satisfaction of the performance obligation.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception or when changes in circumstances occur and is recognized as revenue if it is highly probable that there will not be a significant reversal of revenue in a future period. The Company is estimating demurrage revenue as a variable consideration when delays occur and the vessel is prevented from loading or discharging cargo within the stipulated laytime. The variable consideration based on contracted price terms and estimated excess time taken to discharge or load are being recognized as part of the freight service revenue over time for the remaining voyage (from the delay occurs to the discharge port).

### **2.4.2 Voyage related expenses**

Voyage related expenses consist primarily of loading and discharging expenses, port and canal charges and fuel expenses. Voyage related expenses are recognized ratably over the length of voyages, based on the number of days completed and an estimate of the voyage related costs that will be payable for a voyage.

### **2.4.3 Balance Sheet items**

The Balance Sheets reflect the deferred portion of revenues and expenses applicable to subsequent periods or the accrued portion of revenues and expenses applicable to the current period.

## **2.5 Classification of assets and liabilities**

Current assets and short-term liabilities include items due less than one year from the balance sheet date, as well as items due more than one year from the balance sheet date, that are related to the operating cycle. Assets intended for permanent ownership or use and receivables with maturities exceeding one year from the balance sheet date are presented as fixed assets. Liabilities with maturity less than one year from the balance sheet date are classified as current. All other debt is classified as long-term debt. The first year's repayment of long-term debt is classified as current liabilities in the balance sheet.

### **2.6 Cash and Cash equivalents**

All highly liquid investments with an original maturity of three months or less when purchased are considered cash equivalents.

### **2.7 Loans and receivables**

Trade receivables, other receivables and long-term receivables are presented net of allowances for doubtful balances. If trade accounts receivable become uncollectible, they are charged as an operating expense. Losses from uncollectible receivables are accrued when collection of the invoiced revenues is not assured. We make a judgment with regards to whether or not this should be recognized as income and if collection is not reasonably assured, no revenue will be recognized until cash has been received. These conditions are considered in relation to individual receivables or in relation to groups of similar types of receivables.

### **2.8 Inventories**

Inventories are recorded at the lower of cost and net realizable value with cost determined using the first-in-first out ("FIFO") method.



## 2.9 Business combination and goodwill

Acquisition of subsidiaries is accounted for using the purchase method. Under the purchase method of accounting the cost of the business combination is allocated to the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the net of identifiable assets acquired and liabilities assumed. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset.

For business combinations that occur in stages by successive share purchases, the fair value of the acquired entity's assets and liabilities, including goodwill, are measured on the date that control is obtained. If the value of previously held shares has increased at the control date, the increase constitutes an added value or goodwill that is booked directly in equity. If the value of previously held shares has decreased, this is accounted for as impairment. Only goodwill for the majority is recognized in the financial statements.

## 2.10 Intangible assets

The costs of intangible assets are posted in the balance sheet if it is considered likely that the future economic benefits related to the assets will accrue to the company and a reliable measurement of the historical cost of the assets in question has been established.

## 2.11 Property, Plant and Equipment

Property, plant and equipment is recorded at historic cost, less accumulated depreciation and any impairment. Where an asset is constructed over an extended period and the Company is responsible for funding the construction, interest is capitalized into the cost of the asset.

## 2.12 Depreciation and amortization

Depreciation is charged on a straight-line basis, using rates calculated to write off the cost of property, plant and equipment to its estimated residual value over the following periods:

Item	Period
Machinery & equipment	Up to 12 years
Cars, furniture & fixtures	Up to 5 years
IT equipment & software	Up to 5 years
Goodwill	5 years

On scrapping or disposal of equipment or other fixed assets the difference between any proceeds received and the net book value of the respective asset is recognized as a gain or loss in the Income Statement.

Leasehold improvements are depreciated over the period of the lease.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts are not recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are measured at the lowest levels from which there are separately identifiable cash flows.

## 2.13 Investment in subsidiaries

By subsidiaries means investments where the company directly or indirectly owns more than 50% of the voting shares, where the investment has a long-term and strategic dimension, and investments where the company have a controlling interest. Investments in subsidiaries are accounted for using the purchase method. Cost price increases when means are contributed by a capital increase, or when group contribution is received by the subsidiary. Received dividends are booked as income or as reduction of historical acquisition cost. Year-end allocation related to dividend from subsidiaries is booked the same fiscal year.



The booked value of investments is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts are not recoverable. An impairment loss is recognized for the amount by which the investment's carrying amount exceeds its fair value. Previously recognized impairments are reversed if the reason for the impairment no longer exists.

## 2.14 Leases

Leasing is classified as operating leases or financial leases according to the terms of the agreement. A leasing agreement is classified as an operating lease when the lessor has most of the economic benefits and risks associated with the underlying asset.

Lease payments in respect of assets under operating leases are expensed in the period incurred, except where the lease payment is fixed over a number of periods, in which case the expense is calculated based on the average charge over the period for which the lease payment is fixed.

Leasing agreements are classified as financial leases when the main share of the economic benefits and risks associated with the underlying asset is with the lessee.

Assets acquired under capital leases are capitalized as property, plant and the corresponding liability is included in capital lease obligations. The amount capitalized is the lower of the fair value of the asset or the present value of future minimum lease payments. The capital value of the asset is depreciated over its useful life. Lease payments are treated as consisting of a capital element and interest cost, the capital element reducing the obligation to the lessor and the interest cost being expensed over the period of the lease.

## 2.15 Derivatives

Derivatives is an instrument whose fair value or cash flows are expected to offset changes in the fair value or cash flows of an underlying object (asset/liability). The Company recognizes derivatives as either assets or liabilities on the balance sheet and measures them at fair value. As described in Note 14, gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for hedge accounting.

Cash flow hedging derivatives are recorded in the profit and loss account in the same period as the cash flow from the associated asset or physical contract and gains or losses in the fair value of the hedging instrument are immediately recognized in Other equity.

Where derivative instruments entered into by the Company do not qualify for hedge accounting, the movement in their fair value is recorded under the caption of Other income and expenses in the Income Statement.

## 2.16 Pension Plans

The Company's main pension scheme is a defined contribution plan. Moreover, the Company has continued some defined benefit plans.

For the defined benefits plans, pension costs and pension commitments are calculated on a straight-line earnings profile basis, based on assumptions related to the discount rate, future salary regulation, pensions and benefits under the National Insurance scheme, the future return on pension fund assets and actuarial assumptions about mortality, voluntary withdrawals etc. Pension fund assets are recognized at fair value and deducted from net pension commitments in the balance sheet. Changes in commitments due to changes in pension plans are spread over the expected remaining period of service. The same applies to estimated deviations and changed circumstances in so far as they exceed 10% of the larger of the pension commitment and the pension fund assets (corridor). In the balance sheet, the schemes are treated separately with pension fund assets booked as financial assets and pension commitments as a financial liability.

For the defined contribution plans, the Company makes contributions to an insurance company. The Company has no further payment obligations once the contributions have been paid. Contributions are charged as payroll expenses. Any prepaid deposits are recorded as an asset in the balance sheet to the extent that the deposits can be offset against future payments.

Obligations for contributions to defined contribution plans are recognized as an expense in the Income Statement as incurred.

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and



prior period. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

## 2.17 Taxes

Taxes in the Income Statement contain both payable tax of the year and changes in deferred tax / deferred tax asset.

Deferred tax /deferred tax assets are calculated at 22% on basis of temporary differences between accounting standards and tax legislation by the end of the fiscal year. The calculation is based on nominal tax rate. Tax-augmenting and tax-reducing temporary differences that can be reversed in the same period are balanced in the accounts. Deferred tax assets arise if there are net tax-reducing temporary differences which can be justified by the assumption of future profits. This year tax on ordinary result consists of net changes in deferred tax and deferred tax assets together with payable tax of the year and adjusted for any differences in provision previous years.

## 2.18 Cash flow statements

The cash flow statement is presented using the indirect method.

## NOTE 3 TOTAL REVENUES

All of G2 Ocean's revenues arise from international shipping. An analysis of revenue by origin of load port is as follows:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
North America	203 803	184 053
South America	584 256	434 433
Europe	216 883	121 175
Africa	124 496	77 499
Australasia	97 447	57 026
Middle East and Asia	901 196	567 887
<b>Total</b>	<b>2 128 082</b>	<b>1 483 575</b>

Load ports in the following countries each constituted more than 5% of the total cargo revenues reported in 2022 (and 2021): China 27.5% (2021: 23.9%), Brazil 22.1% (2021: 22.2%) and Canada 5.2% (2021: 7.1%). Further, the following countries constituted more than 5% in 2021: Chile 6.2% and United States of America 5.3%.

G2 Ocean's gross revenue has been disaggregated and presented in the table below:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Revenue from contracts with customers	2 125 325	1 480 659
Other revenues	2 757	2 916
<b>Total</b>	<b>2 128 082</b>	<b>1 483 575</b>
<b>Revenue from contracts with customers disaggregated by type of contracts:</b>		
Charter of Affreightment contracts	1 083 738	677 187
Spot contracts	981 567	686 962
Time charter hire	60 020	116 510
<b>Total</b>	<b>2 125 325</b>	<b>1 480 659</b>

One customer in the year ended December 31, 2022, accounted for 10% or more of the Company's revenues (2021: nil customers).



## NOTE 4 SEGMENT INFORMATION

The Company has two operating segments, Open Hatch and Conventional Bulk which are managed separately with each segment representing a strategic business unit that operates in the shipping market.

Pricing of services and transactions between businesses segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transactions between operating gross segments. These transactions are eliminated in the consolidation.

The Company provide segment data for the revenues and cost as the reliability measurement criteria cannot be met for other items.

For the period Jan 1 – Dec 31, 2022 (USD 1 000)	Open Hatch	Conventional Bulk	Eliminations	Total
Total revenues	2 085 681	42 401	-	2 128 082
<b>Operating expenses</b>				
Voyage related	845 649	2 599	-	848 248
Time charter rental	352 127	582	-	352 709
Depreciation and amortization	6 283	10	-	6 293
Selling, general & administrative	63 583	1 668	-	65 251
Income from operations before pool distribution	818 039	37 542	-	855 581
Pool distribution to Pool Participants	814 111	37 463	-	851 574
Income from operations	3 928	79	-	4 007
Non-operating income / (expenses)	(2 035)	(34)	-	(2 069)
Income before income taxes	1 893	45	-	1 938
Income tax expense	350	9	-	359
Net income	1 543	36	-	1 579

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	Open Hatch	Conventional Bulk	Eliminations	Total
Total revenues	1 398 346	92 462	(7 233)	1 483 575
<b>Operating expenses</b>				
Voyage related	688 174	4 412	-	692 586
Time charter rental	187 585	911	(7 233)	181 263
Depreciation and amortization	6 173	34	-	6 207
Selling, general & administrative	49 529	1 869	-	51 398
Income from operations before pool distribution	466 885	85 236	-	552 121
Pool distribution to Pool Participants	463 780	84 896	-	548 676
Income from operations	3 105	340	-	3 445
Non-operating income / (expenses)	(1 651)	(62)	-	(1 713)
Income before income taxes	1 454	278	-	1 732
Income tax expense	(117)	(4)	-	(121)
Net income	1 571	282	-	1 853



**NOTE 5 VOYAGE RELATED EXPENSES**

Voyage related expense consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Bunker expenses	341 828	261 343
Cargo handling expenses	271 734	235 905
Port expenses	131 578	124 349
Insurance premiums and deductibles	2 421	1 070
Other voyage related expenses	100 687	69 919
<b>Total</b>	<b>848 248</b>	<b>692 586</b>

**NOTE 6 TIME CHARTER RENTAL EXPENSES**

The time charter rental expenses consist of expenses for operating leases. Time charter is an arrangement for hire of a vessel. These arrangements vary in form and way of payment and period of hire may differ from time to time. The time charter rental expenses for the twelve months ending December 2022 were USD 352.7 million (2021: USD 181.3 million).

**NOTE 7 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

Selling, general and administrative expenses consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Recharge of related party and group internal selling, general and administration expenses	33 547	24 895
Staff expenses	22 464	18 617
Office expenses	683	888
IT and communication	3 068	2 997
Professional fees	4 393	3 897
Travel & marketing	459	104
Net currency hedging related to selling, general and administrative expenses	637	-
<b>Total</b>	<b>65 251</b>	<b>51 398</b>

Staff expenses consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Salaries	16 554	12 173
Payroll taxes	1 307	1 458
Pension expenses	904	1 283
Other personnel expenses including recharge of salaries and other personnel charges.	3 699	3 703
<b>Total</b>	<b>22 464</b>	<b>18 617</b>

The average number of staff in the Company in 2022 was 64 (2021: 79).



Remuneration to the Chief Executive Officer and the Board of Directors:

For the period Jan 1 – Dec 31, 2022 (USD 1 000)	CEO	Board of Directors
Remuneration	1 292	177
Pension	40	-
Other allowances	14	-
<b>Total</b>	<b>1 346</b>	<b>177</b>

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	CEO	Board of Directors
Remuneration	1 477	194
Pension	68	-
Other allowances	6	-
<b>Total</b>	<b>1 551</b>	<b>194</b>

No loans or loan security have been given to the Chief Executive Officer or the Board of Directors.

The Chief Executive Officer has a long-term incentive program. Upon termination of employment, the Chief Executive Officer is entitled to 12 months' salary.

## NOTE 8 OPERATING LEASES

Future minimum lease payments in respect of operating leases as of December 31, 2022, are as follows:

As per Dec 31, 2022 (USD 1 000)	Vessels	Offices and cars	Total
2023	76 995	427	77 422
2024	2 027	425	2 453
2025	-	425	425
2026	-	425	425
2027	-	176	176
Thereafter	-	-	-
<b>Total</b>	<b>79 023</b>	<b>1 878</b>	<b>80 901</b>

## NOTE 9 AUDITOR'S REMUNERATION

The following auditor's remuneration is included in the selling, general and administrative expenses:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Statutory audit (excluding VAT)	141	152
Tax advisory services	-	2
Other non-audit services	56	18
<b>Total</b>	<b>197</b>	<b>172</b>



**NOTE 10 RELATED PARTY TRANSACTIONS**

In the normal course of the conduct of its business, the Company enters into a number of transactions with related parties. Related parties of the Company include G2 Ocean AS' owners, G2 Ocean Holding AS, Gearbulk Holding AG and Grieg Shipholding AS including subsidiaries and affiliates of Gearbulk Holding AG and Grieg Shipholding AS, affiliates of the Company, principal owners of the Company, including close family members and companies controlled by those owners, and management of the Company and companies in which the Company can significantly influence the operating and financial policies.

**10.1 Gearbulk**

During 2022 pool distribution related to Gearbulk vessels amounted to USD 558.1 million (2021: USD 334.5 million), of which USD 534.6 million (2021: USD 304.0 million) were related to the Open Hatch segment and USD 23.5 million (2021: USD 30.5 million) were related to the conventional Bulk segment.

As of December 31, 2022, nil Bulk vessels (2021: 3) and 57 Open Hatch vessels (2021: 58) were operated in the G2 Ocean pool on behalf of Gearbulk at a variable rate per day. In addition, one bulk vessel was commercially operated by G2 Ocean on a pay as you earn basis (2021: one open hatch vessel).

The Company has an arrangement with Gearbulk for the provision of certain chartering, operation and support services. Costs recognized from Gearbulk in respect of these services for 2022 were USD 3.6 million (2021: USD 4.3 million). Revenues recognized from Gearbulk in respect of the services for 2022 were USD 1.7 million (2021: USD 4.9 million). In addition, G2 Ocean has recognized USD 10.5 million from Gearbulk and associated companies relating to TC hire (2021: USD 4.1 million).

**10.2 Grieg**

During 2022 Pool distribution related to Grieg vessels amounted to USD 293.4 million (2021: USD 214.1 million), of which USD 279.4 million (2021: USD 159.7million) were related to the Open Hatch segment and USD 14.0 million (2021: USD 54.4 million) were related to the conventional Bulk segment.

As of December 31, 2022, nil Bulk vessels (2021: 4) and 31 Open Hatch vessels (2021: 31) were operated in the G2 Ocean pool on behalf of Grieg at a variable rate per day. Nil bulk vessel was commercially operated by G2 Ocean on a pay as you earn basis (2021: one bulk vessel).

The Company has an arrangement with Grieg for the provision of certain chartering, operation and support services. Costs recognized from Grieg in respect of these services for 2022 were USD 1.1 million (2021: USD 3.1 million). Revenues recognized from Grieg in respect of the services for 2022 were USD 1.7 million (2021: USD 2.6 million).

**10.3 Advokatfirmaet Thommessen AS ("Thommessen")**

A member of the Board of Directors of the Company is also a partner of the Norwegian law firm Thommessen. During 2022, the Company paid USD 73 278 (2022: USD 142 857) to Thommessen for services provided.

**NOTE 11 OTHER INCOME AND EXPENSE**

Other income and expense consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Net foreign exchange loss / (gain)	214	790
Other financial expenses	1 077	313
<b>Total</b>	<b>1 291</b>	<b>1 103</b>

**NOTE 12 TAXES**

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<b>Tax expenses consists of</b>		
Tax payable, Norway	445	-
Tax payable, Overseas	5	-
Change in deferred tax	(91)	(121)
<b>Tax expenses / (income)</b>	<b>359</b>	<b>(121)</b>
Change in deferred tax included in Other equity	(814)	(654)
<b>Total</b>	<b>(455)</b>	<b>(775)</b>
<b>Deferred tax</b>		
Goodwill	(789)	(880)
Receivables	(470)	(526)
Fixed assets	2 241	3 222
Pension	(2 691)	(2 918)
Financial instruments	(4 015)	(314)
Tax losses carried forward	-	(193)
<b>Basis for deferred tax / (deferred tax assets)</b>	<b>(5 724)</b>	<b>(1 609)</b>
<b>Deferred tax asset</b>	<b>1 259</b>	<b>354</b>
<b>(Deferred tax liability)</b>	<b>-</b>	<b>-</b>
<b>Tax payable consists of</b>		
Profit before tax	1 938	1 732
Net change in fair value of cash flow hedges	(3 701)	(2 974)
Permanent differences	(162)	(2 088)
<b>Basis of tax charge for the year</b>	<b>(1 925)</b>	<b>(3 330)</b>
Change in temporary differences	4 308	3 523
Tax losses carried forward	(359)	(193)
<b>Basis for tax payables before group contribution</b>	<b>2 024</b>	<b>-</b>
Group Contribution	(96)	-
<b>Basis for tax payable</b>	<b>1 928</b>	<b>-</b>
<b>Tax payable</b>	<b>424</b>	<b>-</b>

**NOTE 13 FAIR VALUE**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

- I. Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of measurement date.
- II. Level 2: Significant other observable inputs other than Level 1 such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- III. Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate fair value:



## Derivatives

The fair value of the derivatives is based upon quotations obtained from third party banks or brokers, or valuation techniques, using observable market data as of the measurement date (Level 2). Our derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair values of derivatives are determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include forward rates, prices and indices to generate continuous yield or curves and volatility factors to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including market transactions and third-party pricing services.

## Cash and cash equivalents

The fair value of the cash and cash equivalents are based upon the carrying value of cash and cash equivalents, which are highly liquid and approximate fair value (Level 1).

## Bank overdraft

The fair value of the Bank overdraft is based upon the carrying value of the Bank overdraft, which are highly liquid and approximate fair value (Level 1).

As of December 31, 2022 and 2021, the aggregate fair value of the assets and liabilities measured at fair value was as follows:

As per Dec 31, 2022 (USD 1 000)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Financial assets</b>				
Cash and cash equivalents	3 257	-	-	3 257
<b>Other current assets</b>				
Derivatives	-	1 980	-	1 980
<b>Other non-current assets</b>				
Derivatives	-	-	-	-
<b>Financial liabilities</b>				
<b>Other current payables</b>				
Bank overdraft	21 774	-	-	21 774
Derivatives	-	5 995	-	5 995
<b>Other non-current liabilities</b>				
Derivatives	-	-	-	-



As per Dec 31, 2021 (USD 1 000)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Financial assets</b>				
Cash and cash equivalents	1 912	-	-	1 912
<i>Other current assets</i>				
Derivatives	-	2 105	-	2 105
<i>Other non-current assets</i>				
Derivatives	-	-	-	-
<b>Financial liabilities</b>				
<i>Other current payables</i>				
Bank overdraft	21 774	-	-	21 774
Derivatives	-	2 418	-	2 418
<i>Other non-current liabilities</i>				
Derivatives	-	-	-	-

There have been no transfers between different levels in the fair value hierarchy in 2022 and 2021.

As of December 31, 2022 and 2021, the aggregate carrying value, fair value and gain or loss was as follows:

As per Dec 31, 2022 (USD 1 000)	Carrying Values (\$)	Fair Values (\$)	Gain / (Loss)
<b>Derivative instruments</b>			
Foreign exchange forward contracts	(2 032)	(2 032)	(2 032)
Fuel future purchase contracts	(1 667)	(1 667)	(1 667)
Freight Forward Agreements	(316)	(316)	(316)

As per Dec 31, 2021 (USD 1 000)	Carrying Values (\$)	Fair Values (\$)	Gain / (Loss)
<b>Derivative instruments</b>			
Foreign exchange forward contracts	(1 324)	(1 324)	(1 324)
Fuel future purchase contracts	1 010	1 010	1 010
Freight Forward Agreements	-	-	-

As of December 31, 2022 and 2021 the derivative instruments as presented in the tables above qualifies for hedge accounting and the gain / (loss) are included in the Other equity in the Income Statement.

#### NOTE 14 DERIVATIVES

All derivatives are recognized on the balance sheet at their fair value. On the date that the Company enters into a derivative contract, it designates the derivative as either:

- IV. A hedge of the fair value of a recognized asset or liability (a "fair value" hedge);
- V. A hedge of (a) a forecasted transaction, (b) the variability of cash flows that are to be received or paid in connection with a recognized asset or liability or (c) an unrecognized firm commitment (a "cash flow" hedge);
- VI. A foreign-currency fair-value or cash flow hedge (a "foreign currency" hedge);



VII. A hedge of a net investment in a foreign operation: or

VIII. An instrument that is held for trading or non-hedging purposes (a "trading" or "non-hedging" instrument).

The Company in general enters into forward foreign exchange contracts, fuel rate swap agreements and options and less frequently, derivatives such as forward freight agreements, freight options and fuel purchase options, to manage its exposure to fluctuations in currency rates, the market price of fuel, the market price of time charter freight rates and voyage charter freight rates. Certain forward foreign exchange contracts and fuel rate swap agreements are designated as cash flow hedges and where they meet the criteria for hedge accounting, each is accounted for accordingly as follows.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are reported in the Income Statement. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash flow hedge, to the extent that the hedge is effective, are recorded in Other equity, until earnings are affected by the variability of cash flows of the hedged transaction. Any hedge ineffectiveness (which represents the amount by which the changes in the fair value of the derivative exceed the variability in the cash flows of the forecasted transaction) is recorded in current-period earnings.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash flow, or foreign-currency hedges to (1) specific assets and liabilities on the balance sheet or (2) specific forecast or committed transactions. The Company also formally assesses (both at the hedge's inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. When it is determined that a derivative is not (or has ceased to be) highly effective as a hedge, the Company discontinues hedge accounting prospectively.

The Company discontinues hedge accounting prospectively when:

- it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item (including hedged items such as firm commitments or forecasted transactions),
- the derivative expires or is sold, terminated, or exercised,
- it is no longer probable that the forecasted transaction will occur,
- a hedged firm commitment no longer meets the definition of a firm commitment, or
- the Company determines that designating the derivative as a hedging instrument is no longer appropriate.

The Company discontinues hedge accounting when it is no longer probable that the forecasted transaction or firm commitment will occur on the original date or within a two-month window either side of this date. If the hedge is de-designated, the gain or loss accumulated to date on the derivative remains in Other equity and is reclassified into the Income Statement when the transaction affects earnings. If the hedge is not de-designated, the gain or loss accumulated to date on the derivative is recognized immediately in the Income Statement. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company will carry the derivative at its fair value on the balance sheet, recognizing changes in the fair value in current-period earnings.

#### 14.1 Foreign Currency Management

The Company maintains a foreign-currency risk-management strategy that uses derivative instruments to protect its interests from unanticipated fluctuations in earnings and cash flows that may arise from volatility in currency exchange rates. Movements in foreign-currency exchange rates pose a risk to the Company's operations and competitive position, since changes in exchange rates may affect the profitability, cash flow, and business and or pricing strategies of competitors. These movements affect transactions that involve operating costs incurred in foreign currencies. The Company uses foreign currency forward exchange contracts to hedge these risks.

The notional amount of the foreign currency forward exchange contract entered into during 2022 is USD 135.4 million (2021: USD 123.9 million).



As of December 31, 2021, the fair value of aggregate foreign currency forward exchange contracts held on the balance sheet was a net unrealized loss of USD 2.0 million (2021: net unrealized loss of USD 1.3 million), of which USD 1.1 million (2021: USD 0.9 million) was recorded within Other current assets and USD 3.1 million (2021: USD 2.2 million) within Other current payables.

As of December 31, 2022, these contracts had maturities of up to one year and a notional principal amount of USD 116.4 million (2021: USD 109.4 million).

#### 14.2 Fuel Cost Management

The Company maintains a fuel-cost risk-management strategy that uses derivative instruments to minimize significant, unanticipated fluctuations in earnings that may arise from volatility in fuel prices. The Company enters into forward contracts and options relating to fuel. The Company has applied hedge accounting to certain of these arrangements during the year ending December 31, 2021.

As of December 31, 2022, the fair value of aggregate fuel rate swap agreements held on the balance sheet was a net unrealized loss of USD 1.6 million (2021: net unrealized gain of USD 1.0 million), of which USD 0.8 million (2021: USD 1.2 million) was recorded in Other current assets and USD 2.4 million (2021: USD 0.2 million) was recorded within Other current payables. As of December 31, 2022, these contracts had maturities of up to one year and a notional principal quantity of 45 940 metric tons (2021: 20 050 metric tons). The notional value of these contracts is USD 26.9 million (2021: USD 10.2 million).

#### 14.3 Freight Cost Management

The Company maintains a freight cost risk-management strategy that uses derivative instruments to minimize significant, unanticipated fluctuations in earnings that may arise from volatility in freight cost prices. The Company enters into freight forward agreements relating to freight cost. The Company has applied hedge accounting to these arrangements during the year ending December 31, 2022.

As of December 31, 2022, the fair value of aggregate forward freight agreements held on the balance sheet was a net unrealized loss of USD 0.3 million (2021: 0.0 million), of which USD 0.1 million (2021: 0.0 million) was recorded in Other current assets and USD 0.4 million (2021: USD 0.0 million) was recorded within Other current payables. As of December 31, 2022, these contracts had maturities of up to one year and a notional principal quantity of 315 (2021: nil). The notional value of these contracts is USD 3.7 million (2021: 0.0 million).

#### 14.4 Credit Risk

By using derivative financial instruments to hedge exposures to changes in exchange rates and fuel costs, the Company exposes itself to credit risk. Credit risk is the risk that the counterparty might fail to fulfill its performance obligations under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, which creates repayment risk for the Company. When the fair value of a derivative contract is negative, the Company owes the counterparty and, therefore, does not assume repayment risk. The Company's hedging policy establishes maximum limits for each counterparty.

In the current economic environment, the Company is actively monitoring all of its material counterparty risks.

#### 14.5 Fair Values

The estimated fair values of derivatives used to hedge or modify the Company's risks will fluctuate over time. These fair values should not be viewed in isolation, but rather in relation to the fair values of the underlying hedged transactions and the overall reduction in the Company's exposure to adverse fluctuations in foreign exchange rates and fuel prices.

The Company has adopted the requirements to disclose fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The Company has deemed the fair value measurement for each asset or liability held at fair value to be level 2.



The following tables present the aggregate notional principal amounts, carrying values, fair values and maturities of the Company's financial instruments as of December 31, 2022 and as of December 31, 2021 (See Notes 23 and 30):

As per Dec 31, 2022 (USD 1 000)	Notional Principal Amounts (\$)	Carrying Values (\$)	Fair Values (\$)	Maturity
<i>Derivative instruments</i>				
Foreign exchange forward contracts	116 361	(2 032)	(2 032)	2023
Fuel future purchase contracts	26 920	(1 667)	(1 667)	2023
Freight Forward Agreements	3 726	(316)	(316)	2023

As per Dec 31, 2021 (USD 1 000)	Notional Principal Amounts (\$)	Carrying Values (\$)	Fair Values (\$)	Maturity
<i>Derivative instruments</i>				
Foreign exchange forward contracts	109 405	(1 324)	(1 324)	2022
Fuel future purchase contracts	10 216	1 010	1 010	2022
Freight Forward Agreements	-	-	-	-

The carrying value of financial assets and liabilities approximates fair value. The fair value of the financial derivative instruments is the estimated amount, based upon quotations obtained from third party banks or brokers, or valuation techniques, which the Company would have received or would have had to pay if the financial instruments had been terminated or sold at the reporting date.

The following tables present maturities of notional principal amounts of derivative instruments held as of December 31, 2022 and as of December 31, 2021:

As per Dec 31, 2022 (USD 1 000)	Freight Forward Agreements (\$)	Forward currency purchase (\$)	Fuel purchase contracts (\$)	Fuel purchase contracts (MT)
2023	3 726	116 361	26 920	45 940
2024	-	-	-	-
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
Thereafter	-	-	-	-
<b>Total</b>	<b>3 726</b>	<b>116 361</b>	<b>26 920</b>	<b>45 940</b>

As per Dec 31, 2021 (USD 1 000)	Freight Forward Agreements (\$)	Forward currency purchase (\$)	Fuel purchase contracts (\$)	Fuel purchase contracts (MT)
2022	-	109 405	10 216	20 050
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-
2026	-	-	-	-
Thereafter	-	-	-	-
<b>Total</b>	<b>-</b>	<b>109 405</b>	<b>10 216</b>	<b>20 050</b>

Metric ton (MT)



## NOTE 15 GOODWILL

The purchase price for the Open Hatch and Bulk chartering and operational activities acquired by G2 Ocean AS amounted to USD 39.3 million. The fair value of the identified assets and liabilities amounted to USD 35.9 million, resulting in a goodwill of USD 3.4 million.

The goodwill is allocated to the employees, corporate culture and synergies, such as optimization of fleet performance, vessel scheduling, cargo handling and cost efficiencies in the onshore organization. These can be realized in connection with the establishment of the Joint Venture and the acquisition of the subsidiaries and the Chartering and Operational activities, assets and liabilities.

As of December 31, 2022, there is no accumulated impairment loss recognized.

For the period Jan 1 – Dec 31, 2022 (USD 1 000)	Open Hatch	Bulk	Total
<b>Goodwill</b>			
Historical cost Jan 1, 2022	3 275	184	3 459
Additions	-	-	-
Currency translation	-	-	-
Historical cost Dec 31, 2022	3 275	184	3 459
Amortization for the year	219	12	231
Accumulated amortization	3 275	184	3 459
Goodwill Dec 31, 2022	-	-	-

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	Open Hatch	Bulk	Total
<b>Goodwill</b>			
Historical cost Jan 1, 2021	3 275	184	3 459
Additions	-	-	-
Currency translation	-	-	-
Historical cost Dec 31, 2021	3 275	184	3 459
Amortization for the year	655	37	692
Accumulated amortization	3 056	172	3 228
Goodwill Dec 31, 2021	219	12	231



## NOTE 16 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following amounts:

For the period Jan 1 – Dec 31, 2022 (USD 1 000)	Machinery & Equipment	Cars, furniture & fixtures	IT Equipment & software	Total
<b>Cost</b>				
Balances as of Jan 1, 2022	46 067	143	1 085	47 295
Additions	6 435	-	-	6 435
Disposal	(640)	-	-	(640)
Balances as of Dec 31, 2022	51 862	143	1 085	53 090
<b>Depreciation and amortization</b>				
Accumulated depreciation as of Jan 1, 2022	(22 506)	(116)	(1 083)	(23 705)
Depreciations	(6 041)	(19)	(2)	(6 062)
Disposals	454	-	-	454
Accumulated depreciations as of Dec 31, 2022	(28 093)	(135)	(1 085)	(29 313)
Net carrying value Jan 1, 2022	23 561	27	2	23 590
Net carrying value Dec 31, 2022	23 769	8	-	23 777

For the period Jan 1 – Dec 31, 2021 (USD 1 000)	Machinery & Equipment	Cars, furniture & fixtures	IT Equipment & software	Total
<b>Cost</b>				
Balances as of Jan 1, 2021	39 089	191	1 085	40 365
Additions from merger with G2 Ocean FE AS	-	-	-	-
Additions	7 072	-	-	7 072
Disposal	(94)	(48)	-	(142)
Balances as of Dec 31, 2021	46 067	143	1 085	47 295
<b>Depreciation and amortization</b>				
Accumulated depreciation as of Jan 1, 2021	(11 693)	(123)	(703)	(12 519)
Accumulated depreciations on assets transferred from merger with G2 Ocean FE AS	(17 104)	(142)	(1 025)	(18 271)
Depreciations	(5 435)	(22)	(58)	(5 515)
Disposals	33	48	-	81
Accumulated depreciations as of Dec 31, 2021	(22 506)	(116)	(1 083)	(23 705)
Net carrying value Jan 1, 2021	21 985	49	60	22 094
Net carrying value Dec 31, 2021	23 561	27	2	23 590



## 16.1 Depreciation and amortization

The depreciation and amortization charge for 2022 was USD 6.1 million. In addition to a net loss on disposal and scrapping of USD 0.2 million (2021: USD 5.5 million in addition to net gain on disposal and scrapping of USD 0.3 million).

## 16.2 Impairment

There was no impairment loss in 2022.

## NOTE 17 SUBSIDIARIES

As of December 31, 2022 the Company had the following subsidiaries:

Company name	Country of registration	Ownership shares	Voting Shares
G2 Ocean Brazil Ltda	Brazil	100%	100%
G2 Ocean Ltd	Bermuda	100%	100%
G2 Ocean Ltd ROHQ	The Philippines	100%	100%
G2 Ocean US Inc.	United States	100%	100%
G2 Ocean Sweden AB	Sweden	100%	100%
G2 Ocean Shipping Canada Ltd	Canada	100%	100%
G2 Ocean Netherlands BV	The Netherlands	100%	100%
G2 Ocean Singapore Pte Ltd	Singapore	100%	100%
G2 Ocean Italy Srl	Italy	100%	100%
G2 Ocean Australia Pty Ltd	Australia	100%	100%
G2 Ocean Chile SpA	Chile	100%	100%
G2 Ocean South Africa Pte Ltd	South Africa	100%	100%
G2 Ocean (Shanghai) Company Limited	China	100%	100%

Company name	Registered office	Equity 2022 (100%)	Result 2022 (100%)	Book value (100%)
G2 Ocean Brazil Ltda	Rio de Janeiro	3 011	607	5 199
G2 Ocean Ltd	Bergen	110	8	615
G2 Ocean Ltd ROHQ	Manila	702	84	-
G2 Ocean US Inc.	Atlanta	3 460	366	2 850
G2 Ocean Sweden AB	Gothenburg	220	26	264
G2 Ocean Shipping Canada Ltd	Vancouver	1 025	75	-
G2 Ocean Netherlands BV	Rotterdam	138	23	11
G2 Ocean Singapore Pte Ltd	Singapore	1 323	257	213
G2 Ocean Italy Srl	Livorno	290	7	431
G2 Ocean Australia Pty Ltd	Melbourne	160	42	289
G2 Ocean Chile SpA	Santiago	161	10	286
G2 Ocean South Africa Pty Ltd	South Africa	26	16	-
G2 Ocean (Shanghai) Company Limited	China	755	169	-
<b>Total</b>				<b>10 158</b>



## NOTE 18 INTERCOMPANY BALANCES

In the normal course of the conduct of its business, the Company enters into a number of transactions with its subsidiaries and its parent company, G2 Ocean Holding AS.

As at December 31, 2022, the following amounts are due from/to:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<i>Intercompany receivables (current)</i>		
G2 Ocean Sweden AB	-	3
G2 Ocean Ltd	218	310
G2 Ocean Ltd ROHQ	-	31
G2 Ocean Shipping Canada Ltd	-	3
G2 Ocean Australian Pty Ltd	5	2
G2 Ocean Chile SpA	-	7
G2 Ocean US Inc	-	13
G2 Ocean Holding AS	-	28
G2 Ocean Italy Srlu	2	-
G2 Ocean Netherlands BV	52	75
G2 Ocean South Africa Pty Ltd	62	47
G2 Ocean Singapore Pte Ltd	26	21
G2 Ocean Brazil Ltda	4	11
Total	369	550

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<i>Intercompany payables (current)</i>		
G2 Ocean Brazil Ltda	296	514
G2 Ocean US Inc.	836	685
G2 Ocean Singapore Pte Ltd	524	713
G2 Ocean Italy Srl	48	72
G2 Ocean Australia Pty Ltd	20	131
G2 Ocean Shipping Canada Ltd	188	467
G2 Ocean Sweden AB	45	78
G2 Ocean Ltd ROHQ	100	134
G2 Ocean Chile SpA	4	-
G2 Ocean South Africa Pty Ltd	13	-
G2 Ocean (Shanghai) Company Limited	313	189
Total	2 387	2 982



## NOTE 19 RELATED PARTIES

As at December 31, 2021, the following amounts are due from/to related parties and affiliates of the Company:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<i>Trade receivable with related parties</i>		
Gearbulk Pool Ltd	55	55
Total	55	55

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<i>Related parties receivables (current)</i>		
Gearbulk Pool Ltd	1 720	1 861
Gearbulk Shipping Singapore Pte Ltd	2	1
Gearbulk Shipowning Ltd	4 691	3 829
Gearbulk Shipping AS	547	793
Gearbulk Terminais do Brasil Ltda	187	877
Gearbulk Norway AS	6	55
Gearbulk and Ship Management & Transport Ltd	10	-
Grieg Star 2017 AS	-	239
GriegMaas Ultramax AS	-	27
Grieg Shipping II AS	328	570
Grieg Shipping Investment LTD	-	1
Grieg International II AS	285	172
Grieg Maritime Group AS	7	-
Grieg Star Bulk AS	1	367
Grieg Star OH Pool AS	2 043	1 279
Total	9 827	10 071



As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<b>Related parties payables (current)</b>		
Gearbulk Pool Ltd	-	1 962
Gearbulk Holding AG	1 957	-
Gearbulk Norway AS	162	8
Gearbulk Management Switzerland AG	97	94
Gearbulk Shipowning Ltd	-	6
Gearbulk UK Ltd	4	176
Gearbulk Shipping Singapore Pte Ltd	-	16
Grieg Shipholding AS	1 054	1 056
Gearbulk Maritima Ltda	139	86
Grieg Star 2017 AS	-	-
Gearbulk Terminais do Brasil Ltda	191	587
Grieg Shipholding AS	302	-
Grieg Shipping II AS	233	1
Grieg International II AS	27	-
Grieg Shipbroker AS	-	10
Gearbulk Shipping AS	4	-
Grieg Star Bulk AS	37	1
<b>Total</b>	<b>4 207</b>	<b>4 003</b>

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
<b>Related party payables (non-current)</b>		
Gearbulk Holding AG	1 950	3 900
Grieg Shipholding AS	1 050	2 100
<b>Total</b>	<b>3 000</b>	<b>6 000</b>

Related parties payables (current) above includes short term portion of the long term debt to related parties. Additional information is provided in section 19.1.

## 19.1 Long Term Debt

In May 2019, a long-term loan of an aggregate of USD 19.8 million was assumed from G2 Ocean Holding AS' owners Gearbulk and Grieg, replacing the seller credit issued in connection with the start-up of G2 Ocean in 2017. The long-term loan amortizing until 2024 has a coupon of 4.3% per year, payable bi-annually in arrears.

Aggregated amount of related party long term debt maturities as of December 31, 2022:

As per Dec 31, 2022 (USD 1 000)	Gearbulk Holding AG	Grieg Shipholding AS	Total
2023	1 950	1 050	3 000
2024	1 950	1 050	3 000
2025	-	-	-
2026	-	-	-
2027	-	-	-
Thereafter	-	-	-
<b>Total</b>	<b>3 900</b>	<b>2 100</b>	<b>6 000</b>



## 19.2 Other

Loans to directors from G2 Ocean as of December 31, 2022, amounted to nil (2021: nil). Loans to employees amounted to nil (2021: nil).

## NOTE 20 INVENTORIES

Inventories consist of the following amounts:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Bunkers	72 994	58 519
Consumables and other inventories	-	2 770
<b>Total</b>	<b>72 994</b>	<b>61 289</b>

There was no impairment on inventories in 2022.

## NOTE 21 TRADE RECEIVABLES

Trade receivables consists of the following amounts:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Trade receivables	86 060	82 390
Trade receivables, related parties	-	55
Loss provision	(469)	(526)
<b>Total</b>	<b>85 591</b>	<b>81 919</b>

All trade receivables and 100% of the loss provision is related to revenue from contract with customers.

As at December 31, the ageing analysis of trade receivables are as follows:

As per (USD 1 000)	Total	Current	1-30 days	31-60 days	61-90 days	> 91 days
2022	86 060	60 553	18 692	2 396	1 115	3 077
2021	82 390	61 930	17 155	2 249	418	638



## NOTE 22 CONTRACT ASSETS AND CONTRACT LIABILITIES

For the period (USD 1 000)	Jan 1 – Dec 31, 2022	Jan 1 – Dec 31, 2021
Accrued voyage revenue	23 227	17 125
Contract assets	23 227	17 125
Deferred voyage revenue	78 541	85 726
Contract liabilities	78 541	85 726

### 22.1 Contract assets

Contract assets are recognized revenue for freight services partly satisfied from voyages that have commenced but are not completed and invoices have not been issued as per December 31. Contract assets are reclassified to receivables from contracts with customers once the freight service is being invoiced to the customer, normally at the latest within some weeks after the voyage is completed.

### 22.2 Contract liabilities

Contract liabilities are being recognized as revenue from contracts with customers within the completion of the voyage (at the latest a few months after the prepayment).

As per December 31, G2 Ocean has the following remaining performance obligations (amounts not disclosed):

- For voyages in progress, revenues related to the remaining freight services will be recognized as the voyage progresses. All voyages in progress will be completed within a few months.
- In addition, the Company has freight commitments related to contracts of affreightment entered into for future shipments.

## NOTE 23 OTHER CURRENT ASSETS

Other current assets consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Fair value of derivative instruments	13,14	1 980	2 105
Value added taxes receivables		735	222
Other current assets		160	176
Total		2 875	2 503

## NOTE 24 CASH, CASH EQUIVALENTS AND RESTRICTED CASH

As of December 31, 2022 and 2021, the following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial positions that sum to the total of the same such amounts shown in the statement of cash flows.

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Cash and cash equivalents	2 769	1 334
Short-term restricted cash	488	578
Long-term restricted cash	-	-
Total	3 257	1 912

Restricted cash consists of cash, which may only be used for certain purposes and is held under a contractual arrangement.



## NOTE 25 SHARES

As of December 31, 2022, and as of December 31, 2021, the authorized share capital of G2 Ocean AS comprises 84 360 shares of NOK 1 421 par, of which 84 360 are issued. No dividend was declared and paid during 2022. A group contribution of USD 96 391 for 2022 was declared in 2023 (2021: No dividend or group contribution were declared and paid).

## NOTE 26 SHAREHOLDERS

As of December 31, 2022, the Company is a fully owned subsidiary of G2 Ocean Holding AS.

### Shares of common stock

Shareholder	Amount	Shares
G2 Ocean Holding AS	84 360	100%
Total issued common shares	84 360	100%

G2 Ocean's parent company, G2 Ocean Holding AS is jointly controlled by its two shareholders, Gearbulk Holding AG and Grieg Shipholding AS. The table below shows the distribution of shares in G2 Ocean Holding AS, as of December 31, 2022, between its two shareholders, both in terms of number of shares of common stock and percentages.

### Shares of common stock

Shareholder	Amount	Shares
Gearbulk Holding AG	19 500	65%
Grieg Shipholding AS	10 500	35%
Total issued common shares	30 000	100%

## NOTE 27 PENSION BENEFITS AND LIABILITIES

The Company funds pension for certain employees under either a defined contribution scheme or a defined benefit plan undertaken with various pension companies under several different plans.

The Company's Norwegian subsidiaries are bound to have a mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme. The Company's pension scheme meets the requirement of this Act.

### 27.1 Defined contribution plans

The Company funds pensions for certain employees under defined contribution personal pension policies undertaken with various pension companies under several different plans. Contributions are generally based on a percentage of gross salaries. Costs in respect of these pension arrangements for the period ending December 31, 2022 were USD 0.8 million (2021: USD 1.0 million).

### 27.2 Defined benefit plans

The Company has also defined benefit schemes and early retirement schemes. The defined benefit schemes are for certain employees with salaries above a specified threshold (12G). This pension gives the right to future defined benefits and the obligations are primarily dependent on years of service, salary at retirement and level of national insurance benefits. The scheme covers 1 employee.

The early retirement scheme covers employees who were transferred from Grieg to G2 Ocean AS on May 2, 2017. The early retirement scheme pays 70% of salary at the time reaching the age of 65 until 67 years. This scheme is not funded but is financed through operations. The pension scheme covered 13 employees as of December 31, 2022 (2021: 16 employees).

The net periodic pension cost for defined benefit plans for the year December 31, 2022 was USD 0.1 mill (2021: USD 0.2 million). The total pension liabilities as of December 31, 2022 was USD 2.7 million (2021: USD 2.7 million).



## NOTE 28 BANK OVERDRAFT

As at December 31, 2022 the Company had a term revolving credit facility of USD 50.0 million (2021: USD 25.0 million) whereof USD 21.8 million (2021: USD 17.1 million) had been drawn. The facility is secured by a factoring pledge in the amount of USD 55.0 million of the outstanding accounts receivables with the exclusion of accounts receivables relating to certain specific customers. The aggregate carrying value of the pledged accounts receivable as per December 31, 2022 was USD 87.0 million (2021: USD 84.4 million). In addition, the term credit facility is secured by a guarantee from its parent company G2 Ocean Holding AS of USD 50.0 million (2021: USD 25.0 million).

As of December 31, 2022 the term revolving credit facility agreement contain a borrowing base clause, which require a prepayment of a portion of the outstanding borrowings should the drawn amount under the term revolving credit facility exceed 70% of the value of the pledged accounts receivable. Further, the term revolving credit facility includes a clean down clause which require the usage of the facility to be below a set threshold for three consecutive days during any given six months periods. Failure to comply with any of the covenants in the loan agreements could result in a default.

As of December 31, 2022 and December 31, 2021, G2 Ocean were in compliance with its covenants.

## NOTE 29 ACCRUED LIABILITIES

Accrued liabilities consist of the following amounts:

As per (USD 1 000)	Dec 31, 2022	Dec 31, 2021
Accrued voyage related expenses	48 439	47 335
Accrued staff expenses	10 815	3 534
Accrued other expenses	718	390
<b>Total</b>	<b>59 972</b>	<b>51 259</b>

## NOTE 30 OTHER CURRENT PAYABLES

Other current payables consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2022	Dec 31, 2021
Fair value of derivative instruments	13,14	5 995	2 418
Provisions for deductibles on cargo related insurance claims		1 596	2 611
Other payables		661	514
<b>Total</b>		<b>8 252</b>	<b>5 543</b>

## NOTE 31 COMMITMENTS AND CONTINGENCIES

### 31.1 Contracts of Affreightment

The Company enters into contracts of affreightment, committing the Company to provide transportation services covering medium and long-term periods. To meet its existing and anticipated commitments the Company also charters in vessels for various term periods of up to 24-26 months.

### 31.2 Insurance

The Company maintains protection and indemnity ("P&I") jointly with Owners and charterers liability insurance coverage for its shipping activities, which include the legal liability and other related expenses of injury or death of crew, passengers and other third-parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances, and salvage, towing and other related costs. The Company's P&I insurance is arranged through three mutual protection and indemnity associations ("P&I Clubs") of which two are in Norway and one is in the United Kingdom. As a member of a P&I Club, the Company



is subject to calls payable to the association based on the Company's claims record as well as the claims record of all other members of the association. The P&I Clubs operate a policy of reinsurance on certain insurance risks.

While liabilities to third-parties are generally covered by P&I insurance, coverage ordinarily available for damage arising out of oil pollution is currently limited to USD 1 billion per incident per vessel for oil pollution damage, which covers response costs and third-party claims as well as fines. The vessels operated by the Company do not transport crude oil or its products, but the vessels do carry significant quantities of diesel oil and other heavy oil used for fuel, which if spilled would cause pollution. Likewise, vessels commercially operated by the Company could be involved in a collision with a tanker vessel causing a spill of the tanker's cargo for which the Company could be liable.

G2 Ocean is a defendant in several lawsuits for damages and arbitration proceedings in foreign jurisdictions arising principally from contractual disputes, personal injury and property casualty claims. The Company believes that the resolution of such claims will not have a material adverse effect on the financial position, financial results or liquidity of the Company. As of December 31, 2022, and to the best of our knowledge to date, the Company does not have major claims pending under its liability insurance coverage which can adversely affect the financial position, financial results or liquidity.

The Company believes that its current insurance coverage provides adequate protection against the accident related risks involved in the conduct of its business and that it maintains appropriate levels of environmental damage and pollution insurance coverage, consistent with standard industry practice. However, there is no assurance that all risks are adequately insured against, that any particular claims will be paid or that the Company will be able to procure adequate insurance coverage at commercially reasonable rates in the future.

### 3.1.3 Environmental

The Company is subject to the laws of various jurisdictions and international conventions regarding the discharge of materials into the environment.

Many countries have ratified and follow the liability scheme adopted by the International Maritime Organization and set out in the International Convention on Civil Liability for Oil Pollution Damage 1969 ("CLC"), Bunker Oil Pollution Damage 2001 ("BCLC") and MARPOL. A 1992 Protocol to the CLC ("CLC92"), and a Supplementary Protocol, ("CLC2003"), have increased the liability limits of the CLC in several signatory countries. In addition, with effect from June 8, 2015, the limit of liability under the BCLC was increased by approximately 50%. The International Convention for the Prevention of Pollution from Ships (MARPOL) is the main international convention covering prevention of pollution by vessels from operational or accidental causes.

In jurisdictions where the CLC, CLC92, BCLC2001 or CLC2003 have not been adopted or do not apply for vessels not carrying oil in bulk as cargo or as bunkers, various legislative schemes or common law govern, and liabilities are imposed on the basis of fault or in a manner similar to the CLC, CLC92, BCLC2001 or CLC2003. Compliance is arranged via the vessel's P&I Club.

The Ballast Water Management Convention (BWM Convention) a treaty adopted by the International Maritime Organization (IMO) in order to help prevent the spread of potentially harmful aquatic organisms and pathogens in ships' ballast water. From September 8, 2017, ships must manage their ballast water so that aquatic organisms and pathogens are removed or rendered harmless before the ballast water is released into a new location.

The Hong Kong International Convention for the Safe and environmentally Sound Recycling of Ships (the Hong Kong Convention), was adopted in 2009, but is not yet enforced. The Convention is aimed at ensuring that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risks to human health, safety and to the environment.

The European Union (EU) Ship Recycling Regulation being largely based on the Hong Kong Convention, entered into force December 30, 2013. The regulation aims to prevent, reduce and minimize accidents, injuries and other negative effects on human health and the environment related to the recycling of ships flying the flag of European Union countries.

EU Monitoring, Reporting and Verification Regulation (MRV Regulation) on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, entered into force on July 1, 2015.

The International Maritime Organization (IMO) adopted a mandatory Fuel Oil Data Collection System (DCS) for international shipping, requiring ships to start collecting and reporting data to an IMO database from 2019.



For the BWM Convention, Hong Kong International Convention, EU Ship Recycling Regulation, MRV Regulation and the Fuel Oil Data Collection System it is the vessel Manager's who have the formal responsibility to follow all above mentioned regulations are followed, and make sure the vessels are certified as required.

Further, the United States Oil Pollution Act of 1990 ("OPA '90"), states that any Company which is an operator of a vessel could be exposed to substantial strict liability, and in some cases unlimited liability, for removal costs and damages arising from a spill caused by one of its vessels into any of the waters of such jurisdiction (including, for example, US waters). Such a claim against the Company would enable claimants in certain jurisdictions to seize the assets of the operating Company located in that jurisdiction. At the time of a final judgment against the operating Company, such Company's assets in that jurisdiction, as well as in various other jurisdictions, could be exposed to seizure and sale in satisfaction of such judgment. The maximum amount of protection and indemnity ("P&I") coverage ordinarily available in the market against some of these environmental risks is USD 1 billion per incident per vessel. While the Company maintains such P&I coverage, there can be no assurance that such coverage would be sufficient to cover the costs of damages suffered by the Company.

OPA '90 expressly provides that individual states in the US are entitled to enforce their own pollution liability laws, even if inconsistent with or imposing greater liability than OPA '90. There is no uniform liability scheme among the states. Some states have OPA '90-like schemes for limiting liability to various amounts and some rely on fault-based remedies under common law, while others impose strict and unlimited liability on an owner or operator. Some states have also established their own requirements for financial responsibility. From January 1, 2021, the new law imposing increased penalties and fines was effective in California for ship sourced oil pollution damage in Californian State waters.

The Energy Efficiency eXisting ship Index ("EEXI") is a measure introduced by the IMO to reduce the greenhouse gas emissions of ships. The EEXI is a measure related to the technical design of a ship. Ships must attain EEXI approval once in a lifetime, by the first periodical survey in 2023 at the latest.

The Carbon Intensity Indicator ("CII") is a measure of how efficiently a ship transports goods and is given in grams of CO2 emitted per cargo-carrying capacity and nautical mile. The ship is then given an annual rating ranging from A to E, whereby the rating thresholds will become increasingly stringent towards 2030. The yearly CII is calculated based on reported IMO DCS data and the ship is given a rating from A to E. The CII requirements will take effect from 2023, the first rating will be published in 2024.

The Company has been able, and believes that it will continue to be able, to comply with applicable state laws and regulations which are material to the conduct of its operations.

#### **31.4 Freight taxes and other indirect taxes**

The Company derives income from trade in numerous international jurisdictions, and this income may be subject to freight taxes or other indirect taxes. Where appropriate the Company recognizes income, expenses, assets or liabilities in respect of freight taxes or other indirect taxes in the financial statements. The Company takes legal and professional advice in seeking to ensure it is compliant with the tax legislation in the jurisdictions in which it operates. However, the operation of freight taxes and other indirect taxes within the context of international transportation is complex and continually evolving particularly in emerging markets. The Company takes various measures to address any potential exposure to freight taxes or other indirect taxes, including through its standard contractual terms of business. However, there can be no absolute assurance that these measures will fully protect the Company from potential exposure to such taxes or that the relevant tax authorities will agree with the tax positions the Company has taken and as such material adjustments may be required in the future.

## **NOTE 32 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

Subsequent events have been reviewed from period end to issuance of the consolidated financial statement on March 15, 2023 and there are no material events.



To the General Meeting of G2 Ocean AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of G2 Ocean AS (the Company), which comprise the statement of financial position as at 31 December 2022, the income statement, the statement of changes to equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen  
T: 02316, org. no.: 987 009 713 MVA, [www.pwc.no](http://www.pwc.no)  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

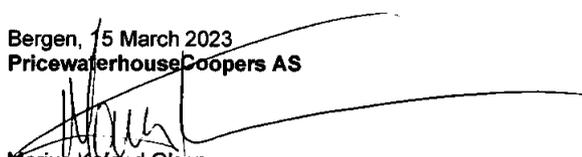
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 15 March 2023  
PricewaterhouseCoopers AS

  
Marius Kafand Olsen  
State Authorised Public Accountant



**Norwegian Directorate of Taxes**

Inquiries to  
Torstein Kinden Helleland

Your date  
01.11.2017

Our date  
07.11.2017

Telephone  
22078139

Your reference  
Atle Nordby

Our reference  
2017/1151197

G2 OCEAN HOLDING AS  
P.O. Box 1088 Sentrum  
5809 BERGEN

**Permission to prepare the annual accounts and directors' report in English language**

— With reference to your letter received 1 November 2017 with respect to the above matter regarding the following companies.

G2 Ocean Holding AS	org.nr. 918 899 855
G2 Ocean AS	org.nr. 918 685 677

Based on a total evaluation, the view of The Directorate of Taxes is that G2 Ocean Holding AS and G2 Ocean AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

**Background**

G2 Ocean Holding AS is owned 65 % by the Gearbulk Holding Group and 35 % by the Grieg Star Group. G2 Ocean AS owned 100 % by G2 Ocean Holding AS. The G2 Ocean Group is an international group of companies which owns and operates a modern fleet of open hatch vessels. The working language for the company group is English. The group is highly international in the sense that it operates throughout the world, and the group has several legal entities and companies in different countries. A number of these companies are as well taxable or can be taxable in other jurisdictions due to inter alia international operations. It follows that the accounts for the company as well will have to be presented in different jurisdictions. All key players and partners in this industry speak and use English. The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

**Permission to make the annual accounts and the directors' report in Norway in English language**

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.

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Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

*“The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”*

Hence, one of the main aims of the Accounting Act is to contribute to “informative accounts for different users of accounts”. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors’ report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the companies are owned by two limited companies. The working language is English. All key players and partners in this industry speak and use English language. Furthermore, the company is operating in an international industry.

Please state “our reference” (see above) in all written communication with The Norwegian Tax Authorities.

Best regards

Rune Tystad  
Senior Adviser  
Rettsavdelingen, foretaksskatt  
Norwegian Directorate of Taxes

Torstein Kinden Helleland

*This document has been electronically approved and contains therefore no handwritten signatures*